CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

September 22, 1998

H.R. 4326
Oregon Public Lands Transfer and Protection Act of 1998

As ordered reported by the House Committee on Resources on July 29, 1998

SUMMARY

H.R. 4326 would transfer administrative jurisdiction over certain federal lands in the state of Oregon between the Bureau of Land Management (BLM) and the U.S. Forest Service. The bill also would direct the Secretary of the Interior to redesignate the legal status of certain federal land in the state. The redesignation in land status would in some cases affect federal payments to the state of Oregon and counties in the state. H.R. 4326 also would limit the Secretary of the Interior's authority to sell, purchase, or exchange certain federal land managed by BLM in Oregon.

CBO estimates that enacting H.R. 4326 would increase direct spending by about $14 million over the next 10 years. We estimate that the bill would have a small effect on direct spending over the 1999-2003 period but would increase direct spending by almost $3 million a year beginning in fiscal year 2004. Because the bill would affect direct spending, pay-as-you-go procedures would apply.

H.R. 4326 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

BACKGROUND

Under current law, offsetting receipts generated from federal land result in payments to states and counties based on formulas specific to the federal land category. H.R. 4326 would affect three categories of federal land in Oregon: National Forest System (NFS) lands, which are managed by the U.S. Forest Service (within the Department of Agriculture); public domain (PD) lands, which are managed by BLM (within the Department of the Interior); and revested Oregon and California (O&C) Railroad grant lands, which are managed by BLM or the Forest Service.

Under current law, amounts equivalent to 25 percent of offsetting receipts from NFS land are distributed to states for the benefit of counties; amounts equivalent to 5 percent of net receipts generated on PD land are distributed to the states; and amounts equivalent to 50 percent of receipts from Oregon and California grant lands are distributed to counties. However, a different payment process is temporarily in effect for counties in which federal land is affected by decisions related to the northern spotted owl. Under the Omnibus Budget Reconciliation Act of 1993 (OBRA-93), those counties receive a special guaranteed payment through fiscal year 2003 based on the historic levels of receipt-sharing payments. Beginning in fiscal year 2004, those guaranteed special payments will end and the underlying receipt-sharing formulas will take effect again.

DESCRIPTION OF THE BILL'S MAJOR PROVISIONS

Title I would change the administration of about 8,950 acres of federal lands within the Rogue River National Forest in Oregon by transferring jurisdiction between BLM and the Forest Service. Title I also specifies the legal category of the transferred lands, each of which has an associated receipt-sharing formula. Implementing these changes in land status would alter the receipt-sharing formula for 3,690 acres: 2,058 acres currently categorized as PD land would be redesignated as NFS land, and 1,632 acres currently categorized as NFS land would be redesignated as PD land. Of the 3,690 acres affected by these changes, 235 acres are temporarily subject to the OBRA-93 special payments for lands affected by federal decisions regarding the northern spotted owl. After 2003, the bill would result in a net increase of 426 acres subject to the more generous NFS formula instead of the PD formula.

Title II would affect how certain federal land is categorized and managed within six BLM districts: Medford, Roseburg, Eugene, Salem, Coos Bay, and the Klamath Resource Area within the Lakeview district. The bill would require that the Secretary, no later than September 30, 1999, designate all PD land that is timberland within those areas (about 240,000 acres) as O&C land. The bill specifies that any payments based on receipts from the redesignated Oregon and California grant lands that are generated before the end of fiscal year 2003 would continue to be calculated as if they had been generated from PD land. Payments based on receipts generated after fiscal year 2003 from the redesignated Oregon and California grant lands would be disbursed to the Association of Oregon and California Land Grant Counties for redistribution to the counties, net of administrative costs.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO estimates that enacting H.R. 4326 would increase direct spending by about $14 million over the next 10 years as a result of additional payments to Oregon and certain counties in the state. The increase in direct spending would be insignificant over the 1999-2003 period. Beginning in fiscal year 2004, direct spending would increase by almost $3 million each year.

CBO estimates that title I would increase payments to Oregon and counties within the state, but that the increase would be less than $500,000 a year. Once the special guaranteed payments to counties affected by northern spotted owl decisions expire at the end of 2003, title I would make more federal acreage subject to the 25-percent receipt-sharing formula. For purposes of this estimate, CBO assumes there will be no significant change in the current restrictions on timber harvests affected by the northern spotted owl decisions. Because little timber is being harvested on those lands now, we estimate that a more generous receipt-sharing formula on those acres would not result in a significant increase in payments to Oregon in fiscal year 2004 or over the 1999-2008 period.

Title II would recategorize about 240,000 acres of federal land in Oregon from PD to O&C status. The bill provides that this redesignation not affect payments based on offsetting receipts until after fiscal year 2003. Because O&C land is subject to a more generous receipt-sharing formula than PD land, federal payments to Oregon would increase after 2003. Based on information from BLM, we estimate that payments to Oregon and counties in the state would increase by almost $3 million a year beginning in fiscal year 2004 and by a total of about $14 million over the 2004-2008 period.

Provisions in title II affecting the Secretary's authority to sell, purchase, or exchange certain lands could affect direct spending (including offsetting receipts) if they resulted in changes to timber harvests on federal land and the associated payments to states and counties. However, we estimate that any such effects would likely be insignificant over the next five years.

The costs of this legislation fall within budget function 300 (natural resources and the environment) and 800 (general government).

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	0	0	0	0	0	0	3	3	3	3	3
Changes in receipts	Not applicable										

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 4326 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. CBO estimates that enactment of this bill would increase certain payments to the state of Oregon and counties in that state by almost $3 million each year beginning in fiscal year 2004.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill would impose no new private-sector mandates as defined in UMRA.

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